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IPR: SCHOLARS OR PROPAGANDISTS?

By William Henry Chamberlain

THE INSTITUTE OF PACIFIC RELATIONS — now very much in the limelight because of the Congressional investigation of Mr. Lattimore's ideological influence — has a standard stereotyped form of self-justification. Periodically someone from one of our seats of higher education writes a letter of pained protest to the *New York Times*, depicting the Institute as an organization of scholars in ivory towers, solely concerned with establishing objective truth about Far Eastern conditions.

These men of learning, so the stereotype drones on, were aided and sustained by a board of trustees of the most impeccable character, including public officials, enlightened businessmen and assorted professors. Now they are being subjected to a most outrageous witch hunt, all as part of the hysteria that is supposed to be gripping the country.

But this touching picture of persecuted and maligned scholars, first vigorously challenged by Alfred Kohlberg, has been completely demolished by the fair and thorough investigation now being conducted by the McCarran subcommittee on internal security. The work of this body has been greatly aided by the fact that its counsel, Robert Morris, and its chief research assistant, Benjamin Mandel, know their way around in the mazes of Communist intrigue and fellow-traveller double-talk.

The subcommittee has proved, not by citing gossip, or hearsay or innuendo, but on the basis of letters and documents of unquestioned authenticity, supplemented by the testimony of leading figures in the Institute, the following interesting and significant facts:

That such leading figures in the work of the Institute as Owen Lattimore, Edward Carter and Frederick Vanderbilt Field were anything but objective in their attitude toward Chinese Communism;

That Owen Lattimore was extremely influential in shaping American foreign policy in the Far East during and after the war;

That Frederick Vanderbilt Field, one of the sons of riches who has been an indefatigable angel of Communist causes, was a much appreciated "sugar daddy" of the Institute;

That an abnormally high proportion of persons who worked for and were sponsored by the Institute were Communist sympathizers.

And this bias of the Institute cannot be brushed off as just the concern of a few private individuals of "liberal" or left-wing views. It is no exaggeration to say that

the Institute of Pacific Relations possessed semi-official status, especially during the war years. Its real or supposed experts were preferred for assignments connected with the making of Far Eastern policy. Some of them served in various capacities in the occupation of Japan.

Lattimore held such responsible posts as adviser to Chiang Kai-shek and director of the Far Eastern division of the OWI. The investigation has brought out beyond any shadow of doubt a close parallelism between Lattimore's thinking on the post-war treatment of Japan and Acheson's.

John Carter Vincent, a most important Far Eastern policy shaper in the State Department in 1945 and subsequent years, was a member of the board of trustees of the IPR. There were many other close links between the Institute and the State Department.

HERE IS AN uncontested letter, written by Lattimore, editor for many years of the Institute's organ, *Pacific Affairs*, to Edward Carter, Secretary General of the organization, dated July 10, 1938:

"I think that you are pretty cagey in turning over so much of the China section of the inquiry to Asiaticus, Han Seng and Chi. [Three Chinese associated with the Institute subsequently turned out to be Communists or Communist sympathizers, a not uncommon characteristic of Institute collaborators.] They will bring out the absolutely essential radical aspects, but can be depended on to do it with the right touch. . . . For China, my hunch is that it will pay to keep the official Chinese Communist position, far enough not to be covered by the same label, but enough ahead of the active Chinese liberals to be noticeable."

Does this suggest the ivory-tower-scholarship pose which Lattimore likes to assume when under fire? Or is it a pretty clear indication of a purpose to utilize the resources and prestige of the Institute for propaganda, pointed in a definite direction?

Considering that Lattimore, in his *Ordeal By Slander*, drapes himself in the protective cloak not only of the "objective scholar", but of the "anti-Communist", it is remarkable how often he turns up taking positions which could scarcely be displeasing to Communists, Soviet or Chinese. The interrogation of Mr. Eugene Dooman, one of the most interesting sections of the subcommittee hearings, emphasizes Lattimore's advocacy of the dethronement of the Japanese Emperor.

Now, the elimination of the imperial system, coming after a military defeat, would have seemed better calculated to promote the triumph of Communism in Japan than any step the United States could have taken.

It is often forgotten that there was a Pauley Plan for deindustrializing Japan which, had it been put into effect, would have been just about as disastrous for the prospects of a stable Japanese economy and a tolerable Japanese standard of living as the Morgenthau Plan was for Germany. Mr. Pauley was more at home in grain and oil speculation than in the intricacies of oriental economics. Who was one of his chief advisers in draft-

ing the report, which proposed to dismantle Japan's industries and transfer large chunks of it bodily to China, the Philippines and other countries? The following excerpt from the questioning of Owen Lattimore gives the answer.

Mr. Morris. What part did you play in the preparation of the report of that [Pauley] mission?

Mr. Lattimore. I helped to draft the report in Tokyo.

Mr. Morris. To what extent did you help?

Mr. Lattimore. Quite largely.

It is remarkable how often the words and actions of the self-proclaimed objective scholar, Owen Lattimore, coincide with a very definite political trend, the nature of which was indicated by Louis Budenz in his testimony before the subcommittee:

"His [Lattimore's] position from the viewpoint of the Communist Party was a very important one. It was particularly stressed in the political bureau [highest leadership organ of the Communist Party] that his great value lay in the fact that he could bring the emphasis in support of Soviet policy in language which was non-Soviet. And they consider that a very valuable asset."

MR. EDWARD CARTER, for many years Secretary General of the Institute, in his testimony, was brought to admit two incidents which cast a most revealing light on that atmosphere of unbiased, nonpartisan, objective scholarship that was supposed to prevail in the Institute. One of Mr. Carter's extracurricular activities in 1941 was pulling strings in Washington to obtain for "sugar daddy" Field a commission in the United States Intelligence Service. Carter wrote to Field:

"I want your unusual gifts utilized to the fullest extent during the emergency."

What were these "unusual gifts"? Let Field answer this question, with a typical excerpt from an article which he contributed to the Communist magazine, *Political Affairs*, in January, 1949:

"A special responsibility devolves upon American Communists. The China issue presents a signal opportunity to deal a mighty blow at the fortress of world reaction. The opportunity and the power exist to smash American imperialist plans for China."

This and many similar citations from the published works of Frederick Vanderbilt Field are calculated to suggest that, wherever his place in the late emergency may have been, it was not in the Intelligence Service or in any sensitive agency of the United States Government, which Mr. Field avowedly considered "the fortress of world reaction".

The other incident shows vividly the kind of China "expert" who found favor in the eyes of the Institute. One, Israel Epstein, characterized by Elizabeth Bentley in testimony before the subcommittee as "a member of the Russian secret police for many years in China", in 1947 published a book, violently pro-Communist in tone, entitled *The*

Unfinished Revolution in China. It was published, significantly, by Little, Brown and Co., then under the editorial direction of Angus Cameron, a man with a long list of affiliations with organizations on the Attorney General's subversive list. Mr. Cameron resigned a few months ago, following a brilliant exposure of Little, Brown's long list of "red" books by *Counterattack*.

Mr. Carter made himself head of an informal promotion committee to see that Epstein's book would reach the "right people". Here is what he wrote to the publicity director of Little, Brown and Co.:

"I think it's of the utmost importance that you devise some means of getting it read at an early date among others by Secretary of State George Marshall, Senators Vandenberg, Morse and Ives; John Foster Dulles and John Carter Vincent of the State Department. . . . I have another suggestion to make. The book is so full of profound understanding and admiration of the Chinese people that I think it is equally important to find ways and means of getting a wide circulation in China."

Any doubt as to where Epstein stands, or stood, was dispelled when he turned up in Red China during the Korean war, contributing to *The Daily Worker* an article which blackguarded the United States in the best "Pravda" style and eulogized the Chinese Reds who were trying to exterminate the American forces in Korea.

PERHAPS the individual highlight of the investigation was the testimony of Eugene Dooman, one of the ablest diplomats who ever served this country in Tokyo, a man who possessed the unusual qualification of having completely mastered the difficult Japanese language. Dooman's story of how Acheson, John Carter Vincent and lesser figures in the diplomatic command tried to carry out a left-wing revolution in Japan, with Lattimore as braintruster in the background, is fascinating. So is his account of how General Marshall stymied, in May, 1945, the publication of an American official statement that the Japanese people would be allowed to keep the imperial system, if they desired. Had peace with Japan, on this basis, been concluded in May or June, the whole Soviet intervention in Manchuria might well have been averted.

Dooman's testimony was disgracefully neglected in press reporting of the investigation.

The McCarran subcommittee has presented in full detail the case history of an organization which seemed to be pursuing a worthy objective and doubtless attracted the support of many individuals of good faith, but which was, in many ways, exploited for purposes distinctly harmful to the best interests of the United States in Far Eastern affairs. It is fascinating reading; but few individuals possess the time and patience to go through the volumes of a Congressional investigation. A pamphlet summarizing the outstanding facts brought out in this important and well-conducted investigation would be a public service.

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HUMAN EVENTS

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Russell Runs: It has been a long time since a Southern Democrat has run for President. But, amid the animated discussion of this historic event, that does not loom as the most surprising thing. What is not only astonishing but unprecedented is that a Democrat, about to announce his candidacy for the Presidency, should first consult with the foremost Republican candidate.

Yet that is what Senators believe happened last week. Commentators who have watched the show not only failed to discover this event, but — with the usual myopia of Northerners in regard to Southern politics — also missed the sequence of events. Thus:

On February 20, Senator Taft said that a Republican President should appoint at least one Southern Democrat to his cabinet.

The next day, Senator Harry Byrd of Virginia, intellectual director of the Southern revolt, made a speech in New York (which, according to the strange standard of values of its editors, the *New York Times* relegated to the 28th page). In this address the Senator from Virginia called for the defeat this year of the Fair Deal. The speech bore a marked resemblance to some of Senator Taft's.

On February 26, a prominent Republican Senator who is a supporter of Taft engaged Senators Byrd and Russell in conversation in the Senate. He tossed out a "suggestion". If the election next fall should result in no majority of electoral votes for any candidate, and the final outcome would depend on action by the House of Representatives, then perhaps an "arrangement" could be made. "If you Southern Democrats throw your votes to Taft, then we could make a deal. You fellows in Senate could join us in organizing the Senate, with your men retaining all the principal chairmanships. We Republicans could organize the House. And we would give you patronage in your southern states." The two Southern Senators said neither yes nor no, but seemed very interested.

Shortly after, according to Senatorial colleagues, Byrd rushed up to Senator Taft and said, "Bob, Dick Russell wants very much to talk with you." And so, forthwith, Taft and Russell went into private, very private, conference.

The next day, the rumor spread that Russell was about to announce his candidacy. The following day he made it official.

In short, Russell's candidacy is not only a story of a developing split in the Democratic Party; it is also a story — necessarily concealed, in many of its details, from the public — of attempts to unite the Southern Democrats with the Northern "anti-me-too" Republicans. These attempts may all founder, but it is of historic significance that they are being made.

Taft's Line: We learn from the grapevine that Taft organization propaganda, scheduled for the New Hampshire and Wisconsin campaigns, not only contains no appeals to minority groups, but actually hits hard at the influence of minority groups in the Federal Government.

A foretaste of this came in the Ohioan's speech in Peoria, Illinois, February 29, when he attacked the "undue" influence of minority groups in "Big Government". Urging people to get out to vote in elections, he said that because too many stay away from the polls, minority groups exert an influence on government "twice what they ought to have". Additionally, he called for a "foreign policy for Americans".

The above illustrates how faithfully the Ohio Senator is hewing to what — because of the disastrous “me-too” policies of Willkie and Dewey — has received the cumbrous designation, “anti-me-tooism”. When Taft started his campaign last fall, he proclaimed his adherence to this dogma, but was a slow starter in stating it frankly or specifically. As time went by, he cast off inhibitions and by now those who once criticized him for “appeasing” the New Deal have little to say. Sober-minded observers here, who often wonder whether Taft or any other Republican can defeat the Administration at the polls, admit that Taft is waging the only kind of campaign capable of winning, if winning is possible.

Guatemala: Officers in the Pentagon are keeping an hourly watch on the situation in the Caribbean republic of Guatemala — so we hear from reliable sources in the Defense Department. Their immediate apprehension is on political matters, but they also have an eye out for any signs that Reds in Guatemala are making preparations for military installations which eventually could be of help to the Soviet Union. What installations? Well, air fields, preparations for firing guided missiles, etc. What would be the military target? The Panama Canal.

All this may sound a bit too excitable to folks in the hinterland. Indeed, it is unlikely that anything really hostile in a military way to the United States will occur in the very near future. But political events in Guatemala — for example, confiscation of American interests there — may lay the groundwork for other, more formidable moves. Hence the military’s concern.

But why has the Pentagon said nothing publicly? One reason is well-known in military circles: the services have found the State Department quite unexcited. Mr. Acheson’s department, indeed, drags its heels and procrastinates when the armed services ask for a full dress conference on the problem.

Accordingly, Pentagon anxiety seems to have been transmitted to the Congress (as often happens when State does not play ball). We had the extraordinary spectacle last week of leaders of both parties in the House expressing concern. Majority Leader John McCormack (Mass.) declared that the Communists have established in Guatemala “a full-fledged Soviet beachhead on our flank”; GOP leader Joseph Martin chimed in, similarly. And Senator Ellender (La.) remarked: “We have been spending billions of dollars to stop and stamp out Communism in Europe. Now we learn it threatens some of our good neighbors to the south.”

That Lisbon Conference: Mr. Acheson had the hardihood to speak publicly of the “giant strides” we have been making in the rearmament of Europe just a few hours after the French cabinet fell. As to the British reaction to the ballyhoo in Lisbon, we offer a few samples from the British weekly press:

“There has never been”, remarked the *New Statesman and Nation*, “such an orgy of self-deception, wish fulfillment and fraudulent bookkeeping. The phony balance sheets, the paper armies, the synthetic optimism are all designed for one objective: to keep the dollars flowing across the Atlantic.”

The staid *Economist* seems to get the same idea: “It is right that a certain secrecy should surround NATO’s diplomatic and military discussions, and that this should be proof even against *the appalling inquisitiveness of Congress* [our emphasis]. But to counterbalance this secrecy by talking airily of fifty divisions this year and a hundred in 1954, by giving the impression that the German defense contribution had been settled when it clearly has not, and by pretending that Franco-German difficulties over a European Defense Community are not so serious after all, is a dishonest practice. It will not frighten the Russians, but it may well lull the Europeans. It is all very well to build up the prestige of NATO in American eyes, but if prestige is based on illusion, there will be bitter disappointment one day.”

In short, it is “appalling” for the representatives of the American people to be inquisitive about expenditure of their money, but it is okay with the British for the Lisbon conferees to “build up” NATO prestige “in American eyes”, i.e., to deceive the American people.

Those Government Bonds: The Federal Reserve Bulletin for February reports that during 1951 the Government had to shell out a billion dollars for savings bonds turned in; that is, redemptions and maturities exceeded sales by that amount. In 1951, the total amount of maturities came to a billion and a half. That means that the Government had to swallow a half billion dollars' worth of the maturities in addition to a half billion in redemptions.

In 1952, the Government must face maturities amounting to nearly four billions. If its 1951 experience holds (\$3 paid out for every \$2 taken in), the Government this year will have to pay out 2.6 billions in excess of its sales' income. If such be the case, the picture will darken with each year; for instance, in 1954 the maturities are expected to total nearly nine billions.

Let us take the overall figures to see what confronts the Government in the long run. By 1964, the Bulletin reports, all the savings bonds now out will have matured, and the bottom figure is 57.6 billions. Taking the three for two experience of 1951, the Government faces the prospect of delivering nearly 39 billions in cash to the holders of savings bonds. Where will the government get the money?

Ides of March: In ten days, a tremendous chunk will be cut out of the American tax structure. It will be dumped into the United States Treasury.

The ultimate effect on the American economy will be the same as the destruction of so many factories, railroads, stores or other forms of capital. That is, the tools of production that would have been built with the savings of the American people will not be built, because on March 17th the savings will disappear.

The income tax is a tax on capital — or on that part of the national income that would have become capital but for the tax.

Secretary Snyder has inadvertently admitted an awareness of that fact. He has been sending out letters to corporations asking them how they intend to raise money for the levies coming due. He seems particularly concerned about the immediate effect of the transfer of so much capital from the business of business to the business of the U. S. Treasury. If the corporations have to liquidate many of their government bonds, their savings, to meet the levies, he will have to find the money. He already has something of a headache, what with maturities and exemptions of savings bonds exceeding sales. (See above.)

There is not much help for Mr. Snyder, anywhere. If the corporations happen to have deposits sufficient to meet the levies, the banks do not have enough cash with which to meet their checks, and they will have to ask the government to buy back its bonds. Putting aside corporations and banks, how many bonds will individuals have to sell to satisfy the tax collector? It looks like Mr. Snyder will have a lot of paper to peddle after March 17th.

"To the extent that taxes are paid with these public debt obligations", Mr. Snyder's letter says, "such payments will not have any effect on bank reserves and the money market." What he means is that the government will leave in the banks the proceeds of the sales of these bonds until the government needs the money. Poor solace! Business will have the temporary *use* of the money, so that everything will be as it was, he implies. But, the fact is that *ownership* of the money will have passed from business to government, and therefore cannot be invested in permanent capital. When the government uses the money, it will be a case of "dead and gone forever".

Infirmities of the GOP: A wave of overconfidence has swept Republicans in general. The corruption issue, and now the candidacy of Sen. Russell has prompted hopes of "rolling in". For this perennial GOP malady, old Dr. Moley offers a prescription, in his new book, *How to Keep Our Liberty* (Alfred A. Knopf, \$4.00).

Dr. Raymond Moley, a conservative whose column in *Newsweek* is popular among most Republicans, points out in this excellent volume that the GOP has lost votes since 1940, while the nation's voting potential has increased by many millions. This Professor of Public Law also remarks: "It [the Republican Party] has a successful past, but a part of that past prevents it from winning the marginal vote that might mean so much in its future. It clings to principles of the 1870's, when it sought by Federal force bills to establish civil rights in the South. This is a three-fold mistake. It denies the party the opportunity to gain strength in the South and in the border states. It gains no votes among Northern Negroes, for they dance to the seductive music of Democratic statism. And in espousing the various civil rights proposals, it is attempting to pass patently unenforceable laws. Under the delusion that it is the party of Federalism, it has failed to make a strong issue of the stolen powers and responsibilities of the states."

Moley indicates the course which he believes the Republicans should follow: "Republicans cannot hope for a return of the conditions that existed during the many years when they were the majority party. Nor can conservative principles prevail when conservatives in the North are separated from people of like mind in the South by the present party division. The restoration of true party government calls for some sort of coalition that will grow into a genuine national conservative party."

This book is no ivory tower essay in political science. It contains an interesting section, "Organizing for Victory", embodying a specific set of directions for political action by citizen groups.

Oyster Forks: The Pentagon's press agent corps, which "ghosts" speeches for swivel-chair generals and high Defense officials, has produced an all-purposes answer to charges of wasted billions, muddled procurement and, not the least, speculation. It isn't true, according to these press agents, that the Navy bought 12,000,000 oyster forks. There were only 120,000.

This correction is made to carry an implication: none of the shocking instances of extravagance uncovered by Congressional committees headed by Senator Lyndon B. Johnson, Rep. F. Edward Herbert and others may be true. Next, Secretary Pace of the Army, Secretary Finletter of the Air Force and Deputy Secretary of Defense Foster (who knows less about more things than any other official) baldly use this alibi with consoling effect for themselves if not for their audiences. Finally, "the figures for oyster forks were a mistake so don't believe anything", is the flat official argument. Red herrings improve with breeding.

The Uplift Again: On the Congressional agenda this season is the Johnson-Case bill, which would legally bar liquor advertising on radio and television. This seems to be in line with our unremitting enthusiasm for the improvement of mankind — by law, naturally. If we must follow that line, then the bill should be amended to include several other much needed prohibitions.

For instance, the caterwauling of jazz bands on the air could well be dispensed with, in the interest of music lovers; the idiotic whodunit plots certainly do not improve the taste for really good fiction among listeners and ought to be eliminated; the advertising of "contests" involving gifts running into thousands of dollars is obviously fraudulent and should be barred from the ether.

But those are minor matters. We firmly believe that the most detrimental talk heard on the air waves is the double talk put out by Government officials. This truly awful bilge, delivered by moral cravens, can only drive an intelligent and civilized person to turn the dial and listen with comparative relief to the moronities of one of the so-called "entertainment" programs. Ergo, a law barring all Government officials from radio and television would certainly — can anyone deny it? — be in the interest of the "general welfare".

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